



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 9, 2018**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS: 1, 2**
DEPARTMENT

SUBJECT: UPDATE ON THE RIVERSIDE INNOVATION DISTRICT

ISSUE:

Receive and file an update on the Riverside Innovation District.

RECOMMENDATIONS:

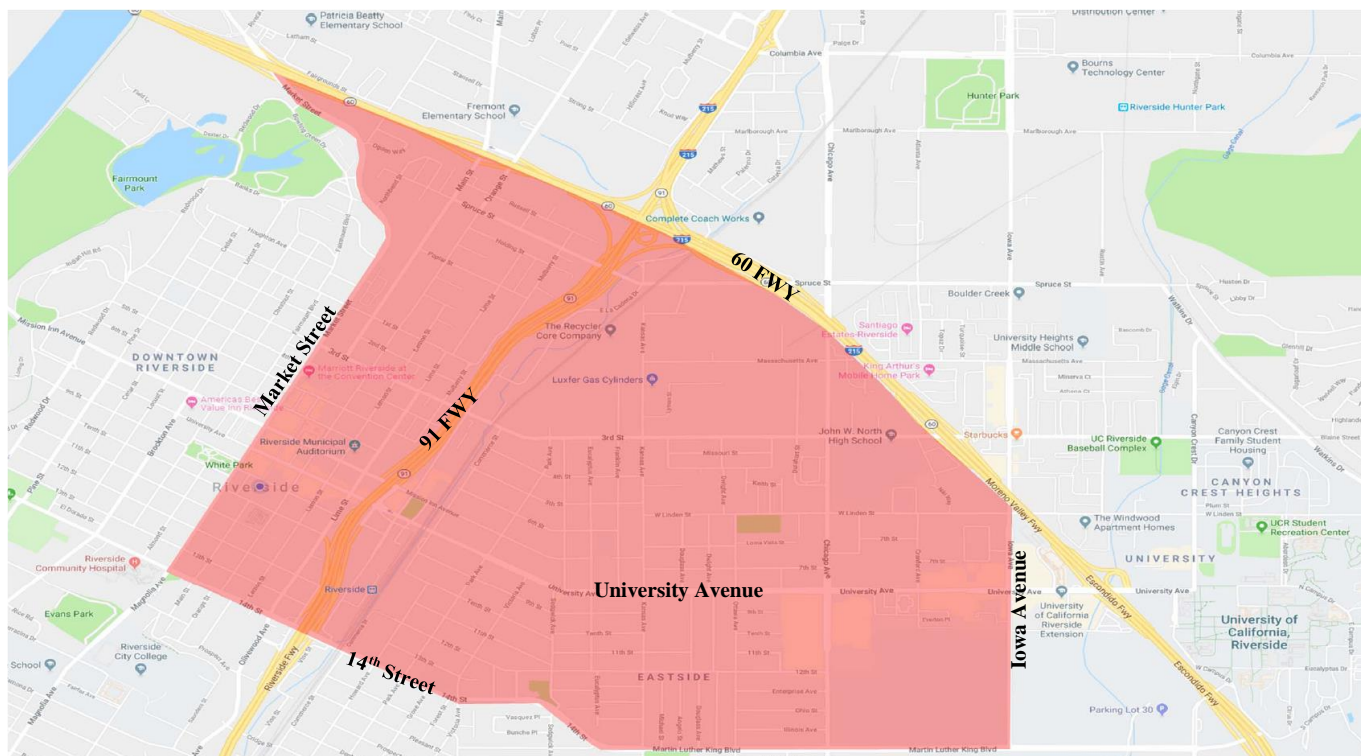
That the City Council:

1. Receive and file an update on the Riverside Innovation District; and
2. Direct staff to provide a bi-weekly status update on the Innovation District to the City Council.

BACKGROUND:

As one of the most diverse and fastest growing cities in the state, Riverside is projected to have significant growth over the next few years, including the relocation of the California Air Resources Board's (ARB) Southern California operations adjacent to the University of California-Riverside (UCR) campus, which will transform the economic complexion of the City, especially along University Avenue and the Eastside/Downtown areas. On December 19, 2017, the City Council designated this area – a highly disadvantaged district where congestion, air pollution, and underutilized space is abundant – as Riverside's first Innovation District to spark innovation, spur economic development, inspire investment, provide quality jobs, and enhance quality of life.

The Innovation District's boundaries encompass the space between downtown and UCR, including portions of the Eastside and University Avenue neighborhoods (see map below). This geographic area was selected due to its proximity to an expanding transit and alternative transportation network, research institutions associated with UCR, and the ever-expanding entertainment destinations in the downtown region. There are two Metrolink stations bordering two edges of the district. This area of the City is also currently home to several under-utilized former packing houses and industrial buildings which have the potential to serve as ideal co-working space for startup firms. Moreover, firms that focus on researching and bringing to market green transportation solutions could, given close proximity, find ideal partnerships with the nearby UCR Center for Environmental Research & Technology (CE-CERT) and the coming ARB campus.



DISCUSSION:

Since mid-2018, staff has been formulating several initiatives and tasks necessary to move the Innovation District forward. These initiatives and tasks include, but are not limited to:

1. Visualizing the Innovation District:

Staff recently contracted with Bill Block, of Westlake Village, to provide design concepts, illustrations, and animations for the Innovation District. Staff believes Bill's work, illustrating what the Innovation District can be, will be extremely useful during the land and business owner forums (as discussed below) and meetings with potential Innovation District investors.

2. Branding and Marketing Campaign:

In order to faithfully market the Innovation District to property and business owners, potential investors, startups, entrepreneurs, etc., staff intends to collaborate with an outside agency to create a dynamic and vibrant brand and create a separate webpage to represent this special district within our City. The Innovation District's webpage is envisioned to include general information, project updates, district events, social gatherings, economic opportunities, and properties available for rent/sale.

3. Best Practices Tour:

Select staff from the Economic Development and Planning Divisions within the Community & Economic Development Department along with the Public Works Department will conduct a best practices tour by visiting and meeting with staff and stakeholders from the following cities that have successfully implemented innovation districts within their respective municipalities:

Oklahoma City, Oklahoma; Detroit, Michigan; Pittsburg, Pennsylvania; Raleigh-Durham, North Carolina; and Chattanooga, Tennessee.

4. Stakeholder/Property and Business Owner Forums:

Shortly after Mayor Bailey first proposed the concept of an innovation district, he convened an Innovation District Committee (IDC), which was composed of business and community leaders, and educators and entrepreneurs to help staff develop the innovation district concept and identify an area and path forward for City Council consideration and approval.

On September 24, 2018 (subsequent to the writing of this report), staff will convene a regrouping of the IDC. The IDC's next purpose will be to assist and provide feedback to staff in developing incentive packages, facilitating branding and marketing, and implementation of the many tasks and initiatives planned (as highlighted above) to successfully achieve the aforementioned goals and objectives of the Innovation District.

Additionally, several property and business-owner forums will be conducted in the immediate future at City Hall and in strategic locations throughout the Innovation District. The forums will educate existing property and business-owners on the Innovation District and how to leverage the Innovation District to improve/maximize property values, create jobs and foster innovation.

5. "Pink" Zone Approach to Land Use Regulation:

Staff seeks to transform Riverside's existing land use regulations, specifically within the boundaries of the Innovation District, by lessening of red tape ("Pink" Zone) that can thwart revitalization initiatives. By allowing for creative solutions to land use and design, economic and neighborhood revitalization can be fostered and encouraged in the Innovation District. Staff does not seek to eliminate zoning, but provide a framework where new projects can take advantage of streamlined processes, design based solutions and place-making opportunities.

In recent years, cities throughout the country have utilized this approach to implement a number of agile and creative regulatory changes to support high-quality place-making and drive economic development on the city's neighborhood commercial corridors. The City of Detroit, as an example, has shown a great deal of enterprise and initiative in neighborhood projects including growing produce on vacant lots, rehabilitating vacant buildings, and using the urban landscape for art projects and other forms of cultural expression.

These forms of urban creativity are a potential advantage for the Innovation District in that they attract positive media, stimulate neighborhood pride, and fuel economic development.

6. WRCOG Beyond Grant:

The City's Planning Division previously applied for grant funds, in the amount of \$360,617, from WRCOG via its Beyond Grant. The Planning Department's original intent for the grant funds was for the creation of the draft Marketplace Specific Plan.

Recently, it was decided that a better use of the WRCOG Beyond Grant funds would be for innovation purposes within the boundaries of the Innovation District. Staff's intended use of the funds includes, but is not limited to:

- a) Expand dedicated short range communications program on strategic traffic signals throughout the Innovation District in collaboration with UCR.

- b) Enhance strategic bus stops throughout the Innovation District with art and interactive learning and play elements for children to include "smart" elements such as chargers.
- c) Enhance bus/transit priority preemption of key traffic signals throughout the Innovation District.
- d) Install diagonal "art" crosswalks at a key intersection in the Innovation District.
- e) Install a community art program, identify canvasses in the public right-of-way and facilitate the permitting and small subsidy to enhance public infrastructure with community art.
- f) Install a solar shaded walkway to power an inductive bus pad layover stall in the Innovation District.
- g) Install fiber conduit in strategic locations throughout the Innovation District.
- h) Install digital wayfinding signs in strategic locations throughout the Innovation District.
- i) Subsidize a bike share program for verified disadvantaged community members in the Innovation District.
- j) Incorporate ChatBot, Siri, and Alexa integration into City services.
- k) Install gunshot detection and air quality monitoring devices on strategic street poles throughout the Innovation District.

7. Opportunity Zones:

Another tool which staff will use to promote private investment in the Innovation Districts will be Opportunity Zones. The federal Tax Cuts and Jobs Act of 2017, passed at the end of December 2017, allows the Governor to designate certain census tracts as Opportunity Zones, which are designed to spur economic development by providing tax benefits, such as the deferment or elimination of federal taxes on capital gains, to investors in economically distressed areas.

The Innovation District, correctly implemented, represents a potential model for other innovation districts throughout the City. Moreover, there is the potential to take lessons learned from the Innovation District to other areas of the City, thereby creating transformative change, spurring economic development and creating prosperity across Riverside.

The City is actively working on several projects within the Innovation District which are centered on user experiences and demonstrate Riverside's ability to integrate innovation into new forms of economic development. For example, a new bike sharing program will be deployed throughout downtown and the eastside neighborhood; a new car sharing program, using hydrogen vehicles is being tested at CE-CERT with plans to expand to downtown via University Avenue which is being referred to as 'Innovation Corridor'; numerous urban-style multi-family residential developments (including the recently opened Imperial Hardware Lofts) which are millennial focused and located throughout downtown and the eastside areas; Riverside ExCITE, a technology incubator in partnership with UCR and the County of Riverside currently has 14 startup tech companies working in industries ranging from agtech, cybersecurity, and edtech and are utilizing mentoring resources from UCR's new EPIC SBDC – a new high-tech small business development center. The SmartRiverside Digital Inclusion Program continues to provide free computers and training to underserved youth and families. The SmartRiverside Code to Careers program trained over 100 students in 2017 on basic coding skills and rewarded them with new laptop computers for achieving this milestone.

Other notable innovation examples/undertakings include Riverside's hosting of the second annual Startup Week (October 1 – 5, 2018), which draws speakers from all across the state to share tips and best practices for current and aspiring entrepreneurs; the newly opened Riverside Food Lab, which attracts customers from all over the Southern California region and provides a space for networking for individuals living, working and playing throughout the Innovation District; and the

yearly Mayor's Long Night of Arts and Innovation, which showcases the best STEM and creative arts projects from California Baptist University, California State University-San Bernardino, La Sierra University, Riverside Community College District, University of California-Riverside, Alvord (AUSD), Jurupa (JUSD), Riverside (RUSD) school districts, and many private companies including Bourns Inc., Siemens, SolarMax Technologies and the fire and police departments of the City of Riverside.

FISCAL IMPACT:

There is no direct fiscal impact to the General Fund related to this Innovation District update.

Prepared by:	David Welch, Community & Economic Development Interim Director
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Approved by:	Rafael Guzman, Assistant City Manager
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Attachment:	Presentation
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